

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

D.T.E. 02-45

Respondent: Karen Fleming
Title: Manager

REQUEST: Department of Telecommunications and Energy, Set #1

DATED: September 25, 2002

ITEM: DTE-VZ 1-1 Issue 8). Refer to the Testimony of Karen Fleming and Verizon Redline General Terms and Conditions, § 21. Compare and contrast each insurance requirement and amount in Verizon's proposal with those required under Tariff No. 17. If differences exist, explain why Verizon's proposal is more appropriate than the requirements and amounts required under Tariff No. 17.

REPLY: The General Terms and Conditions in § 21 of Verizon's redlined Interconnection Agreement and provisions of Tariff 17, Part E, § 2.2.3.4 are essentially the same with the following exceptions:

The umbrella/excess liability coverage of \$5,000,000 in Tariff 17 has been increased to \$10,000,000 in the proposed Interconnection Agreement to reflect the increased risk and expense to Verizon in today's environment. A majority of states have recognized this increased risk and have adopted the \$10,000,000. The rationale for the increase to \$10,000,000 is discussed in detail in Fleming Testimony, Pages 5-8.

The General Terms and Conditions in § 21 require a CLEC to maintain Commercial Motor Vehicle Liability Insurance of \$2,000,000. Tariff 17 has no specific provision. With the evolution of collocation, CLECs use a variety of types of vehicles and equipment on Verizon property. In the past, some carriers maintained that their vehicle coverage was part of their umbrella/excess liability coverage. In order to clearly identify the need for a CLEC to maintain vehicle liability insurance and the associated limits, § 21 provides a separate requirement for these items.

REPLY: DTE-VZ 1-1 (cont'd) Finally, the General Terms and Conditions in § 21 replace the term "Comprehensive general liability coverage" found in Tariff 17 with the term "Commercial general liability coverage" to better reflect today's most common policy form.

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ITEM: DTE-VZ 1-2 (Issue 8). Does Verizon list each collocator in its central offices as an “additional insured” in Verizon’s insurance program? Why or why not.

REPLY: No, Verizon does not list each collocator in its central offices as an “additional insured”. The presence of CLEC equipment and personnel on Verizon’s property that results from interconnection – particularly collocation – puts Verizon’s network, personnel, and assets at an increased risk for damage and injury. See also, Fleming Testimony Page 9, lines 9-22 and Page 10, lines 1-8 for additional rationale for not making this obligation reciprocal.

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Respondent: Jonathan B. Smith

Title: Executive Director

REQUEST: Department of Telecommunications and Energy, Set #1

DATED: September 25, 2002

ITEM: DTE-VZ 1-3 (Issue 9). Refer to the Testimony of Jonathan B. Smith at p. 9. Does Verizon have the ability to audit all CLECs, CMRS providers, and IXC's that have access to Verizon's OSS? Explain why or why not.

REPLY: Yes. Verizon has the ability to audit all CLECs, CMRS providers, and IXC's that have access to its OSS. Verizon can electronically monitor its OSS and determine if any anomalies are occurring in the systems. If so, it can conduct analyses, including the generation of reports by user and transaction, to determine who/what is causing the anomaly. Depending on the nature of the anomaly, Verizon can then determine whether it should assert its audit right.

VZ # 21